

R E M A R K S

It is noted with great appreciation that the Examiner has found allowable subject in Claim 3. However, at this time, the Applicant respectfully chooses to argue the broader claims.

Claim 1 stands rejected under 35 USC 102 as being anticipated by Pearlman et al. Claim 2 stands rejected under 35 USC 103 as being unpatentable over Pearlman et al.

In response, it is respectfully that the claims recite features not anticipated by Pearlman et al. In particular, such features include "the estimation of the probabilities of occurrence of the symbols 0 and 1 in said lists at each level of significance...are considered".

In addressing this feature in the above rejection, Figure 4 of Pearlman et al. is being relied on. However, in Column 4, lines 21-22, Pearlman et al. clearly states that Fig. 4 is useful in understanding the concept of quadtree partitioning a set S into four subsets. Based on this, it is evident that Fig. 4 of Pearlman et al. does not disclose "the estimation of the probabilities of occurrence of the symbols 0 and 1 in said lists at each level of significance...are considered", as required by the claims.

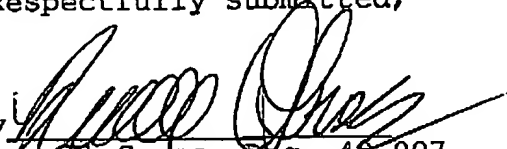
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Further, in reviewing the rest of Pearlman et al., nowhere else is it disclosed "the estimation of the probabilities of occurrence of the symbols 0 and 1 in said lists at each level of significance...are considered", as required by the claims. Therefore, it is respectfully submitted that this feature is not anticipated by Pearlman.

In view of the above-described distinctions, it is respectfully submitted that the invention of Claims 1-2 is not anticipated nor made obvious by Pearlman et al. Therefore, it is respectfully requested that the above rejections be reconsidered and withdrawn so that the present application may proceed to issue.

The Commissioner is hereby authorized to credit any overpayment or charge any fee (except the issue fee) to Account No. 14-1270.

Respectfully submitted,

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